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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 7.30.2010

Wall Street Journal: "U.S. Financial System Still at Risk, Says IMF ... The International Monetary Fund says the U.S. financial system is "slowly recovering," but remains vulnerable to crisis, in part because Congress and the administration have failed to streamline a regulatory system marked by turf battles and overlapping responsibilities."

Wall Street Journal: "Wyly Brothers Face SEC Fraud Charges ... Billionaire brothers Sam Wyly and Charles Wyly hid \$550 million in trading profits by using an "elaborate sham system" of offshore entities, the Securities and Exchange Commission charged Thursday."

Wall Street Journal: "Rule to Aid Bankrupt Commodities Brokers' Clients ... Trustees handling commodities-brokerage bankruptcies will now be allowed in some cases to continue operating the business so that customers' trading isn't disrupted, federal futures regulators announced Thursday."

Wall Street Journal: "Son of TARP ... President Obama has been trying to rebut the claim that he's antibusiness by promoting something called the Small Business Jobs Act, which would provide loans and temporary tax cuts to small businesses."

Washington Post: "Small, midsize U.S. banks need to raise more capital, IMF financial study finds ... The U.S. financial system remains under stress, with small and midsize banks in particular potentially needing to raise more capital, according to a new report from the International Monetary Fund that shows the continuing strains facing the U.S. economy."

Washington Post: "Federal Reserve's James Bullard: Long-term deflation is a possibility ... A top Federal Reserve official warned Thursday that the nation faces the risk of an extended period of falling prices known as deflation, such as that experienced by Japan over the past two decades."

Washington Post: "Online poker gambling creeping toward legalization? ... Congress is thinking about making it legal to play online gambling games like poker."

Washington Post: "FTC rules take aim at debt-relief industry ... The Federal Trade Commission issued stringent new rules cracking down on the burgeoning debt-relief industry on Thursday, saying it too often charges consumers hefty upfront fees but fails to reduce the amount of money they owe creditors."

Washington Post: "Housing policy must be set on sustainable basis ... The financial reform bill enacted last week is a significant step toward a much-needed modernization of our regulatory structure."

Bloomberg: "Stress Tests Will Only Draw Out Financial Crisis: Danny Gabay ... The first step toward a solution is to recognize that you have lost control of the problem, according to Alcoholics Anonymous. In that spirit, the Committee of European Banking Supervisors' report on bank stresses is welcome. But as attempts at clearing the air go, the exercise is a failure and will go down as a missed opportunity."

NY Times: "Wall Street Slips After U.S. Data on Growth ... Traders on Wall Street got what they had been waiting for all week - a look at the crucial second-quarter report on economic growth in the United States."

NY Times: "Citigroup Pays \$75 Million to Settle Subprime Claims ... Citigroup agreed on Thursday to pay \$75 million to settle federal claims that it failed to disclose vast holdings of subprime mortgage investments that were deteriorating during the financial crisis and ultimately crippled the bank."

USA Today: "Banks seek customers' help to stop online thieves ... For generations, U.S. consumers have relied on banks to bear the primary responsibility for keeping their hard-earned cash deposits out of the hands of thieves. Now, banks want consumers to share the load."

The Hill: "Agencies plan spending spree to implement Wall Street reform bill ... Federal agencies will likely spend billions of dollars more each year carrying out Obama's sweeping overhaul of financial regulations."

Politico: "Republican Party blocks small-businesses bill ... Efforts to provide relief to the nation's struggling small businesses stalled in the Senate Thursday, prompting a bitter round of finger-pointing on a measure that once had broad bipartisan support."